

**NAZARIO
HERNANDEZ**
COURT REPORTER



**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

**GRAHAM-FIELD, INC. AND
GRAHAM-FIELD EXPRESS
(PUERTO RICO) INC.**

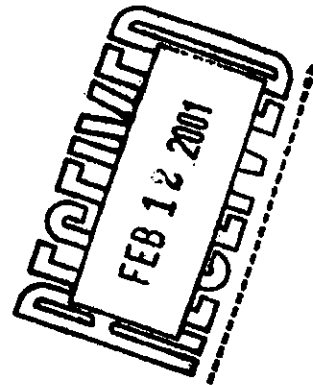
PLAINTIFFS

V.

TUFFCARE, INCORPORATED,

DEFENDANT

CIVIL NO. 98



THE DEPOSITION OF: HILDA SALGADO

DATE: April 17, 2000
TIME: 9:00 a.m.
PLACE: Woods & Woods
One Comptroller Plaza
Sixth Floor,
105 Ponce de Leon Avenue
Hato Rey, Puerto Rico

Calle 20 S-16, Urb. El Cortijo, Bayamón, P.R. 00956 • 799-3531 / 797-3697

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The deposition of HILDA DELGADO, was held at the law firm of Woods & Woods, One Comptroller Plaza Sixth Floor, 105 Ponce de Leon Avenue, Hato Rey, Puerto Rico on April 17, 2000, at 9:00 a.m. The Deponent and the Court Reporter were sworn in by Counsel Fernando Gallardo, as stipulated.

* * * *

APPEARANCES :

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COUNSEL FOR PLAINTIFF

MR KENNETH J. MC CULLOCH

COUNSEL FOR DEFENDANT

MR. EDGARDO RIVERA

TRANSLATOR

MR. CARLOS T. RAVELO

DEPONENT

HILDA SALGADO

COURT REPORTER

ADA SOTO MARTINEZ

1 MR. FERNANDO GALLARDO:

2 Por favor, diga su nombre.

3 THE COURT REPORTER:

4 Ada Soto.

5 MR. FERNANDO GALLARDO:

6 De qué compañía?

7 THE COURT REPORTER:

8 Nazario Hernández.

9 MR. FERNANDO GALLARDO:

10 ¿Usted jura tomar y transcribir correcta y fielmente
11 todo lo que se diga en esta deposición?

12 THE COURT REPORTER;

13 Sí, lo juro.

14 MR. FERNANDO GALLARDO:

15 Diga su nombre completo.

16 THE INTERPRETER;

17 Carlos T. Ravelo, traductor, cuenta propia.

18 MR. FERNANDO GALLARDO:

19 Traductor, cuenta propia. ¿Usted jura que usted
20 traducirá o interpretará correcta y fielmente todo lo que
21 se diga en esta deposición?

22 THE INTERPRETER:

23 Así lo juro.

24 MR. FERNANDO GALLARDO:

25 Por favor, señora deponente, usted jura decir la

1 verda, toda la verdad y nada mas que la verdad de todo lo
2 que se le pregunte y diga en esta deposicion?

3 THE DEPONENT:

4 Sí.

5 MR. FERNANDO GALLARDO:

6 Sí. ¿Y el nombre suyo es?

7 THE DEPONENT:

8 Hilda Salgado.

9 MR. FERNANDO GALLARDO:

10 ¿Me excusan?

11 MR. RIVERA:

12 Muchas gracias.

13 MR. MC CULLOCH:

14 Thank you. We have the standard stipulations that we
15 have in federal court.

16 MR. RIVERA:

17 That is the standard.

18 MR. MC CULLOCH:

19 Okay. All objections except as to form are reserved.
20 The witness waives the reading and signing before this
21 notary but can sign it before any notary. That the
22 transcript will be sent to the witness as soon as it's
23 ready. And she will make any changes that she thinks are
24 necessary within thirty days. If there are no changes made
25 within thirty days, then it's deemed to be correct. Any

1 others?

2 MR. RIVERA:

3 We will not be reserving objections as to attorney-
4 client privilege.

5 MR. MCCULLOCH:

6 Oh, that's right.

7 MR. RIVERA:

8 Also we have to stipulate that the interpreter,
9 stenographer and the witness were sworn in spanish and that
10 those swearing in were satisfactory.

11 MR. MC CULLOCH:

12 Yes, that's fine. That's understood. Okay. Would
13 you state--we'll start now.

14 (THE REPORTER, THE INTERPRETER AND T H E
15 DEPONENT WERE DULY SWORN)

16 EXAMINATION

17 BY MR. MC CULLOCH:

18 Q Ms. Salgado, would you state your name and
19 address for the record?

20 A Hilda M. Salgado, Calle Paranaso P-8, Alto Apolo
21 Development, Guaynabo.

22 Q And will you tell us what your Social Security
23 number is?

24 A 581-40-2630.

25 Q Your date of birth?

1 Q Now, when is the first time that you learned of
2 a company called Tuff Care or Calvin Chang?

3 MR. RIVERA:

4 Calvin Chang, right?

5 MR. MC CULLOCH:

6 Chang. C-h-a-n-g.

7 THE DEPONENT:

8 I don't remember the year. I know that Vicente did go
9 to the U.S. to procure lines.

10 BY MR. MC CULLOCH:

11 Q Did there come a time when your company VC
12 Medical had an agreement with Tuff Care?

13 A Yes.

14 MR. MC CULLOCH:

15 I'm going to show her an exhibit. It's already been
16 marked as an exhibit in the Calvin Chang deposition. I
17 don't mind having it--I'd like to have the same document
18 marked for purposes of this, with a different number, of
19 course. So I'll show it to her after it's marked.

20 (THE DOCUMENT PREVIOUSLY MENTIONED WAS MARKED AS
21 EXHIBIT NUMBER ONE OF THIS DEPOSITION.)

22 BY MR. MC CULLOCH:

23 Q I'd like you to look at this document. Have you
24 seen that document before?

25 A Yes.

1 Q What is that document?

2 A A contract between Tuff Care and VC Medical.

3 Q Okay.

4 MR. MC CULLOCH:

5 I'd like to have it be marked into evidence for
6 purpose of this deposition.

7 BY MR. MC CULLOCH:

8 Q Now, prior to the time that document was signed
9 by--withdrawn.

10 That document is signed by you on the bottom, isn't
11 it?

12 A Yes.

13 MR. RIVERA:

14 I just have one question. The document has a- -

15 MR. MC CULLOCH:

16 An A--the A or whatever is there.

17 MR. RIVERA:

18 It's not part of the original document or- -

19 MR. MC CULLOCH:

20 Not part of the document.

21 MR. RIVERA:

22 That seems like an initial.

23 BY MR. MC CULLOCH:

24 Q Yes. This--to clarify, this mark on the very
25 bottom that looks like an A without a cross through it,

1 that wasn't on the original document as far as you know?
2 I don't know if it was or not.

3 A I don't remember.

4 Q Anyway you signed this document on/or about
5 October fifteen, 1990, is that colrrect?

6 A Is that what it says here?

7 Q I'm looking at the lower part.

8 A Yes.

9 Q And when you signed that document it was marked
10 that you--under your name is the heading, owner. Were you
11 an owner of VC Medical at that time?

12 A No. I was never owner.

13 Q And prior to the time that you signed this
14 document had you talked to Calvin Chang?

15 A Maybe by phone.

16 Q And prior to the time that you signed this
17 document, had VC Medical been selling Tuff Care Products?

18 A I frankly don't remember when we began selling
19 the Tuff Care products, if it was either prior or
20 afterwards. I don't know.

21 Q There's a reference in this document to the
22 distributor is the exclusive distributor in Puerto Rico?
23 What products was VC Medical supposed to be the exclusie
24 distributor for Puerto Rico for?

25 A At that time it was wheelchairs.

1 Q Any other products for which VC Medical--let me
2 withdraw that.

3 At some subsequent time did VC Medical become the
4 exclusive distributor for other health care products
5 besides wheelchairs?

6 A I don't know if they did have an exclusivity, but
7 I know that they sold canes and they sold walkers.

8 Q Canes and what--walkers. When you were with VC
9 Medical were there any products that you sold only for Tuff
10 Care and not for anybody else?

11 A I don't understand.

12 MR. RIVERA:

13 I think you have to--because it's confusing.

14 MR. MC CULLOCH:

15 Okay.

16 BY MR. MC CULLOCH:

17 Q VC Medical had many different products, correct?

18 A They had several but it wasn't something
19 extraordinary.

20 Q Did VC Medical give you--well, did VC Medical
21 have home care beds?

22 A Yes.

23 Q Did it have bed rails?

24 A Yes, but not Tuff Care line.

25 Q The bed rails that Tuff Care had were someone

1 else's bed rails?

2 MR. RIVERA:

3 Objection. You're talking about VC, right?

4 MR. MC CULLOCH:

5 Yes, I'm talking- -

6 MR. RIVERA:

7 You're confusing her.

8 MR. MC CULLOCH:

9 Okay.

10 BY MR. MC CULLOCH:

11 Q The products that Tuff Care had that you--when
12 you sold when you were at VC Medical, that's what I'm
13 trying to identify.

14 A Most that were sold were wheelchairs.

15 Q Second question; did Tuff Care have other
16 products available besides wheelchairs that you could sell
17 if you wanted to sell when you were with VC Medical?

18 A Yes, I think they had the bed railings, the
19 canes, the walkers.

20 Q Okay. Let me go through a list of different
21 types of products and ask if they had these types of
22 products when you were with VC Medical, available for your
23 to purchase?

24 MR. RIVERA:

25 When you say they, you mean Tuff Care?

1 MR. MC CULLOCH:

2 Tuff Care, yes.

3 BY MR. MC CULLOCH:

4 Q Whether or not you bought them, but just whether
5 they were available for purchase?

6 A I wouldn't know if they had them or not, I didn't
7 work with Tuff Care.

8 Q Then I'll just ask; so as of the time you worked
9 for VC Medical you did not know whether Tuff Care had
10 available home care beds?

11 A Well, as to the case related to beds, I do know
12 that they did not have them.

13 Q And bed rails they didn't have either at that
14 time?

15 A I don't know.

16 Q Mattresses they didn't have either for purchase
17 at that time?

18 A I don't know. But mattresses were purchased
19 locally.

20 Q What about transporters, did Tuff Care have
21 transporters at the time you worked for VC Medical?

22 A Transporters were wheelchairs.

23 Q And included within wheelchairs, are there
24 different categories called standard wheelchairs, extra
25 heavy duty wheelchairs, extra wide wheelchairs?

1 A Yes, there was.

2 Q And were there also pediatric wheelchairs, heavy
3 wheelchairs?

4 A I don't remember if at that time they had them,
5 they do have them now. We never sold any of those because
6 they were too expensive.

7 Q What about scooters and scooter accessories, did
8 they have scooter and scooter accessories when you were
9 with VC Medical and selling Tuff Care products?

10 A Yes, there was.

11 Q And what about three and four wheeled walkers or
12 folding walkers?

13 A We had the folding.

14 Q And what about canes and quad canes, did they
15 have those?

16 A Yes, we did have.

17 Q And what about patient lifters, did they have
18 those?

19 A I don't know if they had it, but we never
20 purchased that from them.

21 Q What about IV stand and comodes?

22 A We never purchased that from them either.

23 Q What about shower benches or bath tub safety
24 rails?

25 A We never purchased that from them.

1 Q And grab bars?

2 A No.

3 Q When you were with VC Medical and VC Medical was
4 selling Tuff Care products, did Tuff Care provide a catalog
5 to you?

6 A I don't remember. I don't believe there was a
7 catalog. I don't know, maybe there was one, but I don't
8 remember.

9 Q What about price list, did they send you price
10 list, what they call dealer price list?

11 A Maybe to Vicente.

12 Q But to you they never sent the dealer price list?

13 A Personally to me, no.

14 Q Did you ever receive a dealer price list from
15 Vicente?

16 A I don't remember, maybe he did.

17 Q Okay. Now, when you were ordering products from
18 Tuff Care, how did you know what the price was for the
19 products you were ordering?

20 A The price was already established through Vicente
21 and all that I would do is place the order.

22 Q So Vicente would tell you how much to order and
23 how much you were going to pay for the order, is that
24 correct?

25 A On occasions. On occasions I would just order

1 going to be an exhibit, but I would like to make clear that
2 the document we're referring to seems to be a photocopy of
3 an original with--like we stated before--with a mark that
4 the deponent has already stated was not part of the
5 original document. So in that regard her answer should be
6 within the view of this photocopy and not the original.

7 MR. MC CULLOCH:

8 That's fine. Let me tell you--you don't have to
9 believe this but I'm trying to cut through some time.

10 MR. RIVERA:

11 Yes.

12 MR. MC CULLOCH:

13 Q Calvin Chang has testified that he drafted this
14 document and sent it to you and Vicente Guzman for
15 signature. That he faxed it to you and he had signed it
16 first and the reason he had marked you as being owner is
17 because he had dealt with you and you sounded to him to be
18 a person responsible within the company.

19 Do you have any reason to believe any of those
20 statements by Calvin Chang would be inherently wrong?

21 A Maybe so, because since I did speak with him and
22 I did place orders and so on. And whenever he did call
23 Vicente was never here and it was with me that he'd speak.

24 Q Did there ever come a time when Vicente Guzman,
25 Junior told you that the products for which you were going

1 to be the exclusive distributor for Tuff Care in Puerto
2 Rico were going to extend beyond wheelchairs?

3 A I don't remember that conversation.

4 Q When is the first time that you came to see
5 Calvin Chang?

6 A Again, I don't remember the year but I know it
7 was in Florida on a visit that I made to the company
8 facilities in Florida.

9 Q Was that before the acquisition of VC Medical by
10 Graham-Field?

11 A Yes.

12 Q Do you remember how long, a year or two or three
13 before the acquisition of VC Medical by Graham-Field that
14 this was?

15 A I don't remember since I don't remember the date,
16 but it must have been one, two years.

17 Q And did you have a conversation with Calvin Chang
18 at that time when you saw him in Florida?

19 A We spoke for a while, but quite little.

20 Q What did he say and what did you say?

21 A Nothing. A friendly greeting. I was on vacation
22 and then I left.

23 Q Did you talk at any point about the business that
24 you were in and he was in?

25 A The only thing I did ask him was that if he could

1 improve upon the pricing. He said he couldn't and that was
2 it.

3 Q And as you understood Calvin Chang was the vice-
4 president of sales for Tuff Care?

5 A I don't know what position he was in.

6 (OFF THE RECORD)

7 BY MR. MC CULLOCH:

8 Q At the time of the acquisition by Graham-Field of
9 VC Medical, did VC Medical have any other distribution of
10 lines where they had the exclusive rights to represent the
11 products of a manufacturer?

12 A Exclusivity, I don't believe so.

13 Q Now, did there come a time about August or
14 September or October of 1996 when VC Medical was sold to
15 Graham-Field?

16 A I don't understand.

17 Q Well, VC Medical was sold to Graham-Field,
18 correct?

19 A Yes.

20 Q And at the time that occurred, what was your
21 earnings rate? How much were you earning at that time?

22 A I don't remember. Fifty-four, fifty-two.
23 Because there was a monthly bonus as well. But I don't
24 remember.

25 Q When you went to work for--you did go to work for

1 Q And after the acquisition did you continue to
2 represent the same companies that you had represented
3 before?

4 A Well, no, because I no longer made purchases.
5 Vicente told me that we could no longer purchase from Tuff
6 Care. I no longer had communications to Graham-Field as I
7 did have with Vicente before. We sold whatever was sent to
8 us from over there.

9 (OFF THE RECORD)

10 BY MR. MC CULLOCH:

11 Q Would you look at Exhibit Four. When you add up
12 the purchases that were made by Graham-Field in the last
13 quarter of--three quarters of '97 it appears- -

14 MR. RIVERA:

15 It's '96.

16 MR. MC CULLOCH:

17 Let me see. '96 and the first three quarters of '97.
18 Why don't we do this; we can give the question to witness
19 and then the witness will have to look for about five to
20 ten minutes.

21 BY MR. MC CULLOCH:

22 Q I'd like you to look at this exhibit and--well,
23 first let me ask this; during this time period from about
24 October of '96 to October of '97 you were the person within
25 Graham-Field Express who would receive invoices from Tuff

1 Q Now, did your function change after you went over
2 to Graham-Field Express from what it had been for VC
3 Medical?

4 A Basically it was the same except that I no longer
5 placed orders to Tuff Care until late 1997.

6 Q That part that you added about Tuff Care, what
7 was your relationship with Tuff Care after the acquisition?

8 A I believe it continued to be the same except that
9 I no longer made payments.

10 Q So you--but you checked invoices and authorized
11 payments to be made by another part of Graham-Field; is
12 that correct?

13 A That's correct.

14 Q At anytime did Calvin Chang complain to you after
15 you were with Graham-Field, about Graham-Field not buying
16 enough products that Tuff Care had to sell?

17 A Yes, he complained.

18 Q Did he complain to you?

19 A Not a complaint as such, but he was commenting
20 upon that.

21 Q What did he say?

22 A I don't remember whether it was him or if it was
23 Vicente who commented that to me.

24 Q Well, what were the comments whether they came
25 from Vicente or--withdrawn.

1 Comments if they came from Vicente it was because he
2 told you that this is what Calvin Chang was telling
3 Vicente?

4 A It was Vicente who told me that. That Tuff Care
5 was complaining that they weren't purchasing as much. He
6 was complaining that he also was not being paid on time.

7 Q Any other complaints by Tuff Care?

8 A I don't remember.

9 Q Did Vicente Guzman tell you what he was doing
10 about the complaints of Calvin Chang?

11 A All that he told me was that he had spoken to
12 Graham-Field to purchase more products of Tuff Care.
13 And Graham-Field stated that they could not purchase
14 anymore beds or wheelchairs because they had factories.

15 Q At the time you worked over at Graham-Field
16 Express did Graham-Field Express have catalogs from Tuff
17 Care of Tuff Care products that it could sell?

18 A I don't remember very well, but I think so.

19 Q What about dealer price list, did Graham-Field
20 Express have dealer price lists from Tuff Care that showed
21 the list of products with suggested prices?

22 A I'm almost certain that they did, I believe that
23 they did.

24 MR. MC CULLOCH:

25 Let me--I just want to ask about people's schedules.